

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058 (B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3775
FAX (317) 232-8779

MEMORANDUM

TO: All School Officials

FROM: Courtney Schaafsma, Director, Budget Division *CLS*

SUBJECT: School Excess Levy Appeals

DATE: September 14, 2012

The purpose of this memorandum is to outline the transportation appeal (IC 20-46-4-10), which is the only excess levy appeal available to school corporations.

This appeal will be reviewed by the Department of Local Government Finance ("Department").

Procedures for Transportation Appeal

The school corporation (or appropriate fiscal body) advertises a budget and levy for the following year twice in accordance with IC 5-3-1, with the first publication at least ten days before the date fixed for the public hearing. **The first publication must be before September 14 and the second publication must be before September 21 of the year.** A public hearing is held pursuant to IC 6-1.1-17-3. The advertised budget and levy must include the school corporation's excess levy amount, as outlined in #2 below.

- 1) The school corporation (or appropriate fiscal body) must advertise the total amount of the excess levy appeal within the maximum estimated budget levy and on the excess levy appeal line on the Notice to Taxpayers (Budget Form 3). **The appeal amount must be advertised on both the excess levy appeal line and included in the estimated transportation fund levy. Failure to include the appeal levy in both places may result in denial of the appeal.**
- 2) The school corporation (or appropriate fiscal body) adopts the budget, rate, and levy for the following year on or before November 1 as required by IC 6-1.1-17-5.
- 3) Appeal petitions are sent to the Department office in Indianapolis on or before October 19th.
- 4) Copies of the annual budgets are forwarded to the county auditor as provided by IC 6-1.1-17-5. The budget is reviewed by the County Board of Tax Adjustment (TAB), if any. The TAB, or in the absence of such, the county auditor, may not approve a budget that exceeds the school corporation's maximum levy. For this reason, an appeal to the Department for an

excess levy is also considered an appeal against the action of the TAB. The Department requests that the school corporation send a copy of its budget directly to its assigned Field Representative.

- 5) The Department's Hearing Officers conduct annual budget hearings. The Hearing Officer will consider the appeal in the budget, rate, and levy recommended for approval.
- 6) The Department will consider relevant information and make a final decision (with the exception of a referendum levy, which is approved by the voters). The school corporation will be notified of the Department's final action.

School corporation officials must file the following information regarding an excess levy appeal:

- 1) **proofs of publication for the ensuing budget year;**
- 2) **the school board resolution adopting an excess levy appeal;**
- 3) **a completed excess levy appeal application;**
- 4) **a petition requesting consideration of an excess levy appeal; and**
- 5) **any other information related to the excess levy appeal request.**

Transportation Appeal

A school corporation may appeal to the Department **on or before October 19** to increase the maximum operating transportation levy provided by IC 20-40-6.

Indiana law sets forth the circumstances under which a school corporation may appeal for an increased transportation levy:

"A school corporation may appeal to the [Department] under IC 6-1.1-19 to increase the maximum levy permitted for the school corporation's fund. To be granted an increase by the [Department], the school corporation must establish that the increase is necessary because of a transportation operating cost increase of at least ten percent (10%) over the preceding year as a result of at least one (1) of the following:

- (1) A fuel expense increase.
- (2) A significant increase in the number of students enrolled in the school corporation that need transportation or a significant increase in the mileage traveled by the school corporation's buses compared with the previous year.
- (3) A significant increase in the number of students enrolled in special education who need transportation or a significant increase in the mileage traveled by the school corporation's buses due to students enrolled in special education as compared with the previous year.
- (4) Increased transportation costs due to compliance with a court ordered

desegregation plan.

(5) The closure of a school building within the school corporation that results in a significant increase in the distances that students must be transported to attend another school building.

In addition, before the [Department] may grant a maximum levy increase, the school corporation must establish that the school corporation will be unable to provide transportation services without an increase. The [Department] may grant a maximum operating costs levy increase that is less than the increase requested by the school corporation.

(b) If the [Department] determines that a permanent increase in the maximum permissible levy is necessary, the maximum levy after the increase granted under this section becomes the school corporation's maximum permissible levy under this chapter."

The Department can only approve a transportation fund levy (including an excess levy) in an amount that does not exceed that which was initially advertised and adopted by the school corporation. A levy increase resulting from a successful appeal is a permanent increase to the school corporation's transportation fund maximum levy.

Templates are attached to this document for use in requesting a transportation appeal.

If you have any questions, please contact Assistant Budget Director Dan Jones at djones@dlgf.in.gov or (317) 232-0651.

The "transportation appeal formula" form requires use of the Assessed Value Growth Quotient ("AVGQ" [max levy growth factor]). That factor is 0.028 (2.8%) for Pay 2013.

The School Board of the _____ School Corporation,
_____ County, State of Indiana, has determined to file for an excess
levy appeal.

Please provide the amount(s) the School Corporation is requesting: _____

To increase the transportation fund maximum levy due to operating increases in excess of ten percent (10%) pursuant to IC 20-46-4-10, the governing body of said school corporation hereby resolves to proceed with a petition for an excess levy to the Department of Local Government Finance.

Adopted this _____ day of _____, _____.

FOR

AGAINST

ATTEST: _____

TRANSPORTATION FUND APPEAL (IC 20-46-4-10)

School Corporation Name: _____

County: _____

Amount requested: \$ _____ **Tax rate impact: \$** _____

Did the school board advertise/adopt a levy and tax rate high enough to allow for an excess levy appeal? Y _____ **N** _____

(Please provide proof(s) of publication with appeal documentation.)

The need for a levy increase is due to:

1) FUEL INCREASE:

2012 gallon _____	x per gallon price _____	=	_____
2013 gallon _____	x per gallon price _____	=	_____
	Increase		_____

2) SIGNIFICANT CHANGE IN NUMBER OF STUDENTS TRANSPORTED OR MILES TRAVELED:

2012 Students transported _____	2012 miles traveled _____
2011 Students transported (est.) _____	2011 miles traveled (est.) _____
Difference _____	Difference _____

3) SIGNIFICANT CHANGE IN NUMBER OF SPECIAL EDUCATION STUDENTS TRANSPORTED OR MILES TRAVELED BY BUSES TRANSPORTING SPECIAL EDUCATION STUDENTS:

2012 Special Education Students Transported _____
2013 Special Education Students Transported (est.) _____
Difference _____

2012 Special Education Miles Transported _____
2013 Special Education Miles Transported (est.) _____
Difference _____

4) CHANGE IN TRANSPORTATION COSTS DUE TO COURT ORDERED DESEGREGATION PLAN:

2012 Transportation Desegregation Expense _____
2013 Transportation Desegregation Expense (est.) _____
Difference _____

5) CLOSURE OF A BUILDING WITHIN THE SCHOOL CORPORATION THAT RESULTS IN A SIGNIFICANT INCREASE IN THE DISTANCES STUDENTS MUST BE TRANSPORTED TO ANOTHER SCHOOL BUILDING:

2012 Miles traveled _____ Date of closure _____
 2013 Miles traveled (est.) _____
 Building that closed _____

Please complete the following sections to provide more detail on the transportation appeal:

Has the school corporation added any new transportation positions during the last three years?
 Y N

If yes, please provide a list of positions and costs.

Position	Year Added	Salary	Benefits	Total Costs
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Assessed valuation growth during the last five years:

Year	Assessed valuation	Percentage +/- from previous year
2008 p 2009	_____	_____
2009 p 2010	_____	_____
2010 p 2011	_____	_____
2011 p 2012	_____	_____
2012 p 2013 (projected)	_____	_____

Student Count (ADM)

Year _____	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____

	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____

	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____

	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____

	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____

	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Comments:

Transportation Appeal Formula

Historically, the Department of Local Government Finance used the following formula in its review of Transportation appeals

$$(A - B) \times (C) = \text{Levy Increase Allowed}$$

A = % increase in budget (1.2 in example below)

(2013 budget / 2012 budget = % increase in budget)

NOTE: When calculated, this number must be at least 1.10 to qualify for an appeal.

B = Maximum levy growth factor (2.8% for Pay 2013)

C = 2012 transportation maximum levy (\$100,000 in example below)

Example:

2013 budget = \$1,200,000

2012 budget = \$1,000,000

$1,200,000 / 1,000,000 = 1.20$ (% increase in budget)

$(1.20 - 1.028) \times (\$100,000) = \text{Levy Increase Allowed}$

$(.172) \times (\$100,000) = \text{Levy Increase Allowed}$

$(17,200) = \text{Levy Increase Allowed}$

School Calculation:

1. 2013 budget =	\$ _____
2. 2012 budget =	\$ _____
A. % increase in budget	_____
B. Maximum levy growth factor =	_____ .028
C. 2012 Transportation maximum levy =	\$ _____

Line 1 / Line 2 = Line A

(Line A - Line B) x Line C = Levy Increase Allowed

Levy Increase Allowed: \$ _____

ACCOUNTS TO BE CONSIDERED FOR INCREASED TAX LEVY					
Account Name and Number to be Considered for a Transportation Appeal	*Column 1 2009 Actual Expenditures	*Column 2 2010 Actual Expenditures	*Column 3 2011 Actual Expenditures	Column 4 2012 Certified Appropriations	Column 5 2013 Projected Expenditures
25520 Vehicle Operations					
25530 Monitoring Services					
25540 Vehicle Service Maintenance					
25560 Bus Insurance					
25570 Insurance on Pupils					
25580 Contracted Pupil Transp. Service					
25590 Other Pupil Transp. Service					
25591 Bus Driver Training					
26491 PERF					
26492 Social Security					
26493 Workmen's Comp.					
26494 Group Insurance					
26496 Unemployment Comp.					
26497 Teachers Retirement Fund					
26498 Severance/Early Retirement Pay					
Other					
Other					
Other					
Total Operating Expenses					

Amount of change from previous year: Col. 5 minus Col. 4 divided by Col. 4 = _____ % change

Percentage change must be a minimum of ten percent (10%) to qualify for an appeal.

***If totals do not agree with your Calendar Financial Report submitted to the Indiana Department of Education, please provide a detailed explanation.**